

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number M/003/0026 Mine Name Rosebud Mine
Operator Star Stone Quarries Inc Date Sent April 7, 2014
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded
Notice of File Closure and Release of Reclamation
Surety 2014-04072014

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2014-04072014

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2014-04072014

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____

RECEIVED**NOV 22 2011****DIV. OF OIL, GAS & MINING**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACTName of Operator: Star Stone Quarries, Inc.Permit Number: M/003/0026Mine Name: RosebudPhone Number: 801-262-4300

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease
☒ Increase
☐ Replacement

Reason: ☐ Amendment to NOI
☐ Cancellation/ Termination of surety
☒ Escalation
☐ Partial Release of surety
☐ Other

Explain: Received surety bond rider. The rider increases the amount from \$75,100 to \$81,900.

Surety Dollar Amount Associated With This Action: \$6,800.00Surety Aggregate Amount: \$81,900.00**Included in this modification (surety must be attached)**

Instrument(s):

<input checked="" type="checkbox"/> Corporate Surety	<input checked="" type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain: Surety bond rider #

Other surety not affected by this modification will remain part of Attachment A and labeled as such.
This Modification will be effective as of the last date signed below

Lon Thomas President
Authorized Officer Signature Printed Title

8/3/11
Date

John R. Baza
Division Director John R. Baza
Utah Division of Oil, Gas and Mining

12/2/2011
Date

RECEIVED
SEP 08 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

MODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACT

Name of Operator: Star Stone Quarries, Inc.Permit Number: M/003/0026Mine Name: RosebudPhone Number: 801-262-4300

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease
☐ Increase
☒ Replacement

Reason: ☐ Amendment to NOI
☐ Cancellation/ Termination of surety
☐ Escalation
☐ Partial Release of surety
☒ Other

Explain: Operator is replacing LOC# _____ in the amount of \$6,400.00 with a surety rider _____ increasing bond from \$68,700.00 to \$75,100.00 (\$6,400.00).

Surety Dollar Amount Associated With This Action: \$6,400.00

Surety Aggregate Amount: \$75,100.00

Included in this modification (surety must be attached)

Instrument(s):

<input checked="" type="checkbox"/> Corporate Surety	<input checked="" type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain: Surety bond rider

**Other surety not affected by this modification will remain part of Attachment A and labeled as such.
This Modification will be effective as of the last date signed below**

Lon Thomas Printed Pres. Title

6-10-09 Date

John R. Baza
Division Director John R. Baza
Utah Division of Oil, Gas and Mining

9/15/09 Date



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Addendum #1 to Reclamation Contract

June 27, 2006

Star Stone Quarries, Inc., Rosebud, M/003/026

Lon Thomas, President
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

On June 22, 2006, KeyBank National Association of Cleveland, Ohio issued an Irrevocable Standby Letter of Credit in the amount of US \$6400.00 for escalation to the year 2011. The cumulative reclamation surety amount is US \$75,100.000.

This letter serves as an acknowledgment and approval of the following revisions to the Reclamation Contract:

- **SURETY COMPANY:** (2) KeyBank National Association, Letter of Credit Number S311479;
- **SURETY AMOUNT:** Cumulative: Seventy Five Thousand One Hundred Dollars, \$75,100;
- **ESCALATION YEAR:** 2011
- **LEGAL DESCRIPTION:** Any revisions incurred after July 19, 2002 are identified in the Notice of Intention, Mining and Reclamation Plan (as amended), otherwise, Attachment A identifies the legal description;
- **MAP:** Any revisions incurred after July 19, 2002 are identified in the Notice of Intention, Mining and Reclamation Plan (as amended), otherwise, Attachment A, identifies the map.

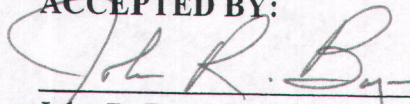
Nothing herein contained shall vary, alter, or extend any other provision or condition of the Reclamation Contract.

To the extent any conflict exists between this letter addendum and the Reclamation Contract, these terms shall control.

Please acknowledge with your signature, make a copy for your records, and return this letter with original signatures to the Division.

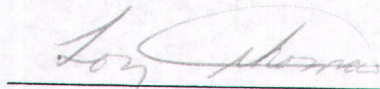
The below signed, acknowledge and accept these revisions and incorporate them into the July 19, 2002 Reclamation Contract.

ACCEPTED BY:



John R. Baza, Director
Division of Oil, Gas and Mining

7/3/06
Date



Lon Thomas, President
Star Stone Quarries, Inc.

7-19-06
Date

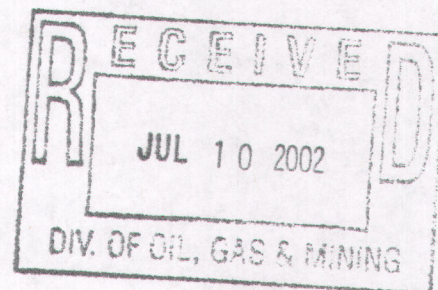
FORM MR-RC
Revised April 4, 2001
RECLAMATION CONTRACT

File Number M/003/026

Effective Date July 19, 2002

Other Agency File Number BLM-U77034

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/003/026</u>
(Mineral Mined)	<u>Quartzite</u>
"MINE LOCATION":	
(Name of Mine)	<u>Rosebud</u>
(Description)	<u>34 miles South West</u>
	<u>of Park Valley UT</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>9.5 Acres</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Star Stone Quarries Inc.</u>
(Address)	<u>4040 South 300 West</u>
	<u>Salt Lake City, UT 84107</u>
(Phone)	<u>801-262-4300</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

Lon Thomas

(Address)

4040 South 300 West

Salt Lake City, UT 84107

(Phone)

801-262-4300

"OPERATOR'S OFFICER(S)":

Lon Thomas President

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Developers Surety and Indemnity Company
Bond No.

"SURETY AMOUNT":

(Escalated Dollars)

\$68,700.00

"ESCALATION YEAR":

2004

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Star Stone Quarries Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/003/026 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 15, 2000, and the original Reclamation Plan dated June 15, 2000. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Star Stone Quarries Inc.
Operator Name

By Lon Thomas
Authorized Officer (Typed or Printed)

President
Authorized Officer - Position

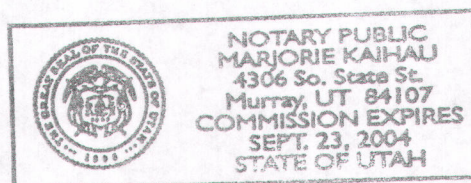
Lon Thomas
Officer's Signature

6-17-02
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 17 day of June, 2002, Lon Thomas
personally appeared before me, who being by me duly sworn did say that he/she is the
President of Star Stone Quarries and duly
acknowledged that said instrument was signed on behalf of said company by authority
of its bylaws or a resolution of its board of directors and said Lon Thomas
duly acknowledged to me that said company executed the same.

Marjorie Kaihau
Notary Public
Residing at Salt Lake County
Sept 23, 2004
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By *Mary Ann Wright*
Mary Ann Wright, Associate Director

Date July 19, 2002

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 19th day of July, 20 02 Mary Ann Wright
personally appeared before me, who being duly sworn did say that she, the said Mary Ann Wright
Mary Ann Wright is the Associate Director of the Division of Oil, Gas
and Mining, Department of Natural Resources, State of Utah, and she duly acknowl-
edged to me that she executed the foregoing document by authority of law on behalf of
the State of Utah.

Joelle Burns
Notary Public
Residing at: S.L.C. UT

4-4-2005
My Commission Expires:



ATTACHMENT "A"

Star Stone Quarries Inc.
Operator

Rosebud
Mine Name

M/003/026
Permit Number

Box Elder County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 9.5 acres under the approved permit and surety, as reflected on the attached map labeled Rosebud Quarry and dated July 19, 2002 :

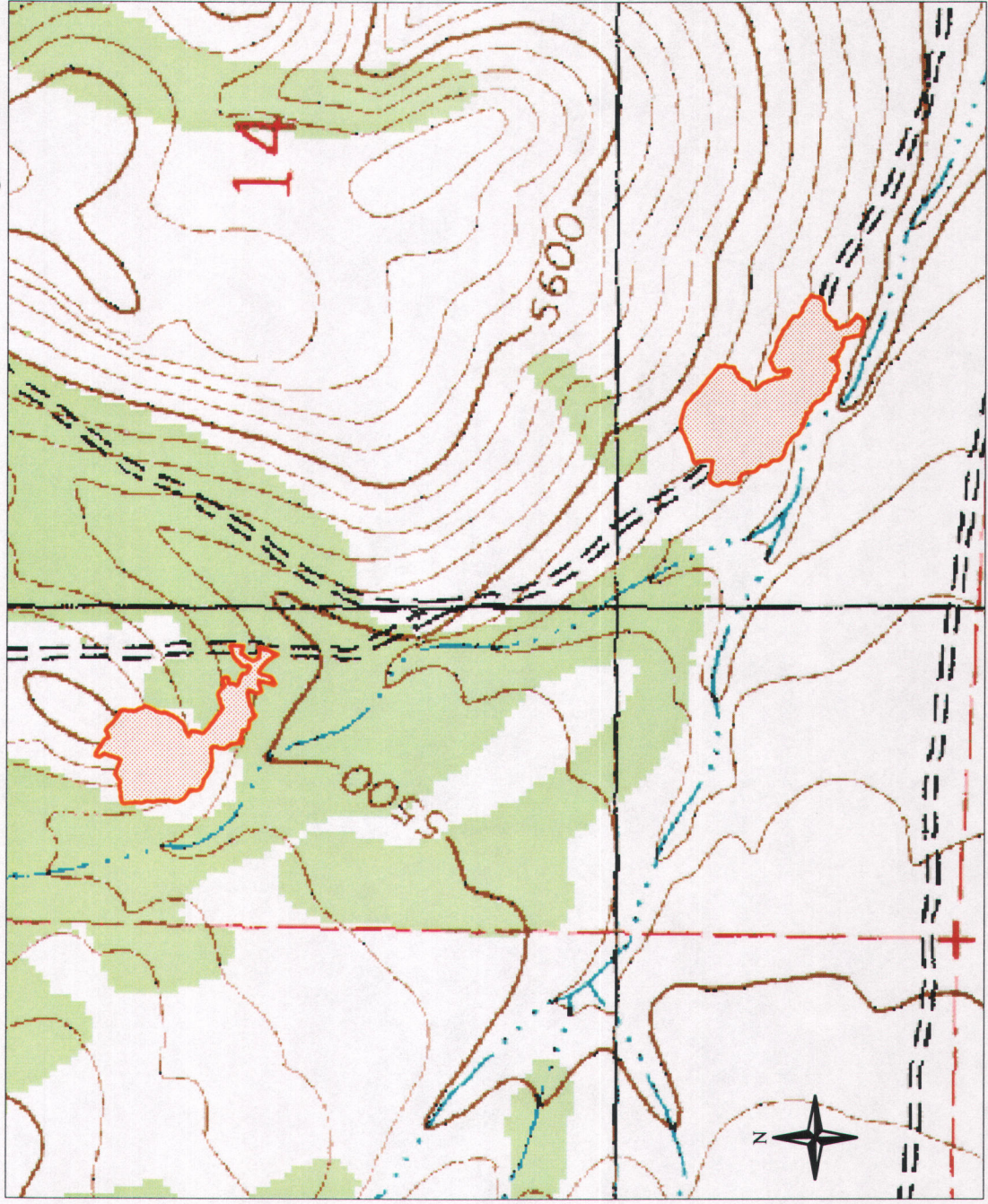
SW 1/4 NW 1/4 and the SE 1/4 SW 1/4 of
Section 14, Township 10 North, Range 16 West,
SLBM, Box Elder County, Utah.

Star Stone Quarries, Inc.

Rosebud Quarry

M/003/026

Emigrant Pass Quad



Prepared 7-19-02 by DOGM

 Disturbed Area

SW/4 of the NW/4 and the
SE/4 of the SW/4 of Section 14,
Township 10 North, Range 16 West,
SLBM, Box Elder County, Utah

This product may not meet DOGM Standards
for accuracy and content. Different data
sources and input scales may cause some
misalignment of data layers.



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 1, 2014

Tara N. Switzer
American Safety Casualty Insurance Co.
100 Galleria Parkway Southeast, Suite 700
Atlanta Georgia 30339

Subject: Authorization for Full Release of Reclamation Surety Bond # , Star Stone Quarries, Inc., Rosebud Mine, M/003/0026, Box Elder, County, Utah

Dear Ms. Switzer:

This letter authorizes full release of surety bond number American Safety Casualty Insurance Co. is presently holding this surety bond for the benefit of the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Bureau of Land Management (BLM), as reclamation surety for Star Stone Quarries, Inc's Rosebud Mine. The site has been successfully reclaimed, and both the Division and the BLM concur with this release.

Please contact Dana Dean at 801-538-5320 or Paul Baker at 801-538-5261 if you have questions or concerns regarding this action. Thank you for your help in this matter.

Sincerely,

John R. Baza
Director

JRB:lk:pb APR 7 2014 2:47 PM 8878 9661 -original Bond included.

cc: Lon Thomas, Star Stone Quarries, Inc., Operator
Larry Garahana, BLM (lgarahan@blm.gov)

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030026-Rosebud\final\BREL-5936-3102014.doc





ambest.com

- ★ [Ratings & Analysis](#)
- ★ [News Publications](#)
- ★ [Products & Services](#)
- ★ [Insurance Resources](#)
- ★ [About A.M. Best](#)

 Rating
SEARCH

- ☒ Ratings
- ☐ Company Information

 Enter Company Name
or A.M. Best Number

Find

[More Search Options](#)

CONTACT US

 Where
in the
world is
A.M. BEST?
[Find our locations](#)

 What do
you think?
[Send us your comments](#)

Accessing the pages on ambest.com constitutes the user's agreement to our [terms of use](#); Information collected via this Web site is protected by our [privacy statement](#); Comments or concerns should be directed to our [customer service group](#); For other matters refer to our [contact us](#) page.

Rating Search

Page 1 of 1

Choose: [All Companies](#) [Secure Rated](#)1 companies found, results sorted by **Company Name**Criteria Used: **Company Name** starting with **DEVELOPERS SURETY AND INDEMNITY**

For information about each company, including the Best's Company Report, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB #	Business Type	Company Name	Rating	Domicile
11752	P	Developers Surety and Indemnity Company	A-	United States: Iowa

*Ratings as of 3/18/02 1:06:00 PM E.S.T.

Business Types:

P = Property/Casualty (non-life)
L = Life/Health

View the [Current Guide to Best's Ratings](#) for an in-depth explanation of Best's Ratings System and Procedures.

Best's Ratings reflect our **opinion** based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and business profile. These ratings are **not a warranty** of an insurer's current or future ability to meet its contractual obligations. (Best's Ratings are proprietary and may not be reproduced without permission from A.M. Best.)

The rating symbols "A++", "A+", "A", "A-", "B++", and "B+" are registered certification marks of the A.M. Best Company, Inc.

Best's Security Icons are awarded to Secure rated (A++, A+, A, A-, B++, B+) companies. This special emblem displays their rating and category (Superior, Excellent, or Very Good), helping you discern industry leaders at a glance. Insurance Companies interested in placing a Best's Security Icon on their web site are required to [register online](#).

Copyright © 2002 by **A.M. Best Company, Inc.** ALL RIGHTS RESERVED

No part of this report may be distributed in any electronic form or by any means, or stored in a database or retrieval system, without the prior written permission of the A.M. Best Company. Refer to our [terms of use](#) for additional details.

m/003/024

DEVELOPERS SURETY AND INDEMNITY COMPANY

February 15, 2005

Department of Natural Resources (Utah), Division of Oil, Gas and Mining
Box 145801
Salt Lake City, UT 84114-5801

RE: Principal: Star Stone Quarries, Inc.

Surety Bond Number: [REDACTED]

Dear Sir or Madam:

Developers Surety and Indemnity Company sent cancellation notice on the above referenced principal to be effective **05/07/05**. This letter is to advise the bond should not be cancelled and should remain in full force and effect until further notice is received.

Please reinstate the bond without interruption. Thank you in advance for your attention in this matter.

Sincerely,



Andrew C. Allison
Attorney-in-Fact

RECEIVED

FEB 17 2005

DIV. OF OIL, GAS & MINING

m/003/026

DEVELOPERS SURETY AND INDEMNITY COMPANY

February 2, 2005

CERTIFIED MAIL: 7000 1530 0003 2359 9238
RETURN RECEIPT REQUESTED

Department of Natural Resources (Utah), Division of Oil, Gas and Mining
Box 145801
Salt Lake City, UT 84114-5801

RE: Surety Bond Number: [REDACTED]
Principal: **Star Stone Quarries, Inc.**

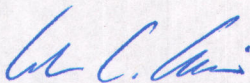
RECEIVED
FEB 07 2005
DIV. OF OIL, GAS & MINING

Dear Sir or Madam:

Please be advised that, in accordance with the terms of the above identified bond, the Surety hereby elects to cancel said bond and hereby gives written notice of said cancellation to the Obligee.

The cancellation shall be effective **ninety (90) days** from date of receipt at which time the liability of **DEVELOPERS SURETY AND INDEMNITY COMPANY** under Surety Bond Number [REDACTED] shall cease and terminate as to subsequent acts and liabilities of the Principal.

Sincerely,



Andrew C. Allison
Attorney-in-Fact

Cc: Star Stone Quarries, Inc.

4040 South 300 West
Murray, UT 84107

The Holmes Organisation
PO Box 1440
Tulsa, OK 74101-1440

PO BOX 19725, IRVINE, CA 92623 (949) 263-3300
www.InscoDico.com

Fred Barker, Altus E. Wilder, III, Tina E. Switzer, Andrew C. Allison, Barbara M. Paske, jointly or severally

ID-1438 (DSI) (Rev. 10/03)

RECLAMATION SURETY ESTIMATE

Star Stone Quarries Inc.

last revision

07/06/00

Rosebud Mine

DOGM file number M/003/026

Box Elder County

Prepared by Utah State Division of Oil, Gas & Mining

-This estimate uses a D8 size dozer for most earthwork

An allowance has been made for 0.2 acres for an existing road that will not be reclaimed. (12' width)

On-site dump material used to re-slope pit face in calculations. Distance of material movement requires the use of both a dozer and a front end loader or a loader/truck combination. Dozer/loader combination is used for the purposes of this calculation

Note: actual unit costs may vary according to site conditions last unit cost update 08/25/99

-Amount of disturbed area which will receive reclamation treatments = 9.3 acres

-Estimated total disturbed area for this mine = 9.5 acres

Activity	Quantity	Units	\$/unit	\$	Note
Regrading waste dump slopes	20,000	CY	0.47	9,400	(1)
Resloping pit walls/Dozer	30,000	CY	0.47	14,100	
Resloping pit walls/FE Loader	12,500	CY	1.15	14,375	(2)
Ripping stockpile & compacted areas	1.0	acre	220	220	(2)
Topsoil replacement - dozer(6" depth)	6980	CY	0.47	3,281	(3)
Topsoil replacement - FE loader	3490	CY	1.15	4,013	(4)
Composted manure (5 ton/acre)	9.3	acre	150	1,395	(5)
Broadcast seeding (~20 lb/acre)	9.3	acre	170	1,581	(6)
General site cleanup & trash removal @50%	4.6	acre	50	230	(7)
Equipment mobilization	2	equip	1000	2,000	(8)
Reclamation Supervision	8	days	372	2,976	(9)
	Subtotal			53,571	
10% Contingency				5,357	
	Subtotal			\$58,928	
Escalate for 5 years at 3.13% per yr				9,818	
	Total			\$68,746	
	Rounded surety amount in yr 2005-\$			\$68,700	
Average cost per disturbed acre =				\$7,232	

Note

- (1) Means 1998 & Rental Rate Blue Book 4/98: Cat D8N, U, mtl 2550 lb/CY, 300 ft push
- (2) Means 1998 & Rental Rate Blue Book 4/98: Cat D8N, U, multi shank rippers, speed 1.0 mph
- (3) Means 1998 & Rental Rate Blue Book 4/98: Cat D8N, U, mtl 2550 lb/CY, 250 ft push
- (4) Hauling excavated or borrow material.
- (5) DOGM general estimate - manure \$30/ton delivered & spread
- (6) DOGM general estimate - broadcast seeding
- (7) DOGM general estimate - site cleanup & trash removal
- (8) DOGM general estimate - equipment mobilization
- (9) Means 1998, 010-036-0180, project manager, minimum \$1,815/wk

EXECUTIVE SUMMARY

Prepared July 7, 2000

Mine Name: Rosebud Quarry
Operator: Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Telephone: (801) 262-4300
Contact Person: Lon Thomas

Life of Mine: 10 years

I.D. No: M/003/026
County: Box Elder
New/Existing: Existing Small mine -
expanding to large mine status
Mineral Ownership: BLM
Surface Ownership: BLM
Lease No.(s): n/a
Permit Term: 5 years

Legal Description: SW/4 NW/4 and the SE/4 SW/4 of Section 14, Township 10 North, Range 16 West,
SLBM, Box Elder County, Utah

Mineral(s) to be Mined: Quartzite flagstone

Mining Methods: Surface excavation

Acres to be Disturbed: 9.5

Present Land Use: Grazing, Wildlife Habitat

Postmining Land Use: Grazing, Wildlife Habitat

Variances from Reclamation Standards (Rule R647) Granted: 0.2 acres allowed for pre-existing road.
R647-4-111.8

Soils and Geology:

Soil Description: Soils are of the Promo-Puett complex. These soils are classified as loamy-skeletal, mixed
(calcareous), Mesic Lithic Xeric Torriorthents. Depth of topsoil ranges from 0 to 13 inches over bedrock.

pH: 7.8 - 7.9

Special Handling Problems: None anticipated.

Geology Description: Cambrian (?) Quartzite of the Clarks Basin formation. The metamorphosed
sediments are characterized by layers or partings of micas developed between thicker beds of fine quartzite.

Hydrology:

Ground Water Description: No groundwater has been intercepted by mining operations to date. There are
no wells in the immediate vicinity of the quarry. No groundwater impacts are anticipated due to the shallow
depth of proposed pit excavations.

Surface Water Description: No perennial surface waters at this site. An ephemeral drainage is located to
the southwest of the quarry which will not be impacted by the mining operation.

Water Monitoring Plan: None required.

Ecology:

Vegetation Type(s); Dominant Species: Pinyon/juniper (dominated by Utah Juniper) and sagebrush/grass (dominated by Wyoming sagebrush, black sagebrush and blue grama) communities are found at the site.

Percent Surrounding Vegetative Cover: 30% ground cover in the pinyon/juniper community, 32.7% ground cover in the sagebrush/grass community.

Wildlife Concerns: There are no threatened or endangered species or critical habitat within the project area.

Surface Facilities: There are no permanent facilities located at this site. A temporary camp for employees will set up to comply with BLM's Use and Occupancy Regulations in 43 CFR 3715.3-2.

Mining and Reclamation Plan Summary:

During Operations:

Salvageable soil over quarry and waste dump areas will be scraped from the surface using a D8 dozer or excavator bucket and piled up prior to mining.

A hydraulic excavator is used to extract the stone from the quarry and distributed to workers on the quarry dump and pad to process. Stone is split by hand to uniform size and stacked on pallets for shipping. Unusable material is placed on the waste dumps. Quarry cuts will be approximately ten feet deep. Equipment used includes a D-8 bulldozer, hydraulic excavator, two-yard front end loader, and two dump trucks. A 500 gallon fuel tank is located on site within a secondary containment structure.

After Operations:

Excluding 0.2 acres of pre-existing access road, all disturbed areas will be reclaimed. Excess (waste rock) materials will be used to backfill quarry pit areas so that they are free-draining. The area will be regraded to approximate original contours (slopes of 3 horizontal to 1 vertical). Quarry and waste rock dump areas will be covered with 18 inches of fines (amended with compost to support vegetation). Salvaged soil will placed over the fines prior to seeding. All areas will be seeded by broadcasting an approved seed mix designed to meet the intended post mining land use of grazing and wildlife habitat.

Surety:

Amount: \$68,700 (year 2005 dollars)

Form: Unknown at this time

Renewable Term: 5 years



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119
ph: (801) 977-4300; Fax: (801) 977-4397



In Reply Refer To:

3600

U-77761

UT-023

AUG 30 2006

M10031026

Certified Mail - 7005 3110 0001 9359 4516

Return Receipt Requested

Mr. Lon Thomas
American Stone, Inc.
4040 South 300 West
Salt Lake City, UT 84107

Dear Mr. Thomas:

On January 11, 2006, we received your letter requesting an increase in the "permitted and bonded area" of your Rosebud #1 and #2 mining operation located in T. 10 N., R. 16 W., Section 14 from 7 to 20 acres. Your original Plan of Operations (Plan) was approved by this office on May 30, 2001 for 9.5 acres of surface disturbance. We will consider your request to be a Plan Amendment (Amendment), rather than a new Plan.

On January 17, 2006, we requested additional information from you to be able to consider your Amendment complete. On June 30, 2006, we received a portion of the information we requested, however the following additional information must be provided at your earliest convenience:

1. A detailed map must be provided for each quarry site, at an appropriate scale, which will show the proposed location of each quarry, associated waste pile(s), access road(s), drainage crossing(s), mine dump(s), proposed culverts, work area(s), equipment and pallet storage area(s), worker's trailers, fuel storage location, chemical toilet and topsoil stockpile areas. We suggest that your submitted map be prepared at a scale of 1 inch = 100 feet;
2. A detailed cross-section of each quarry which identifies the type of material that will occur beneath the surface (e.g., bedrock, waste rock, quarry, original undisturbed ground, fill, etc.). Although on your submitted Map 2B-1, you identify cross-sections A-B (Sage Green Quarry) and C-D (Park Valley White), you have only provided a single "cartoon" cross-section that represents both quarries and does not provide sufficient detail of each quarry for analysis. In addition, your cross-sections fail to include any vertical or horizontal scale for comparison purposes. Some of the text in the cross-sections you provided is barely visible or legible. It is not clear if text is missing or not. Please provide a cross-section of each quarry, which is clearly legible, is based on actual topography of each of the two project areas and shows the original (pre-mining) and post-mining surfaces as described above;

RECEIVED

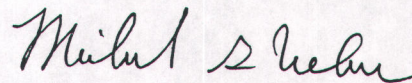
AUG 31 2006

DIV. OF OIL, GAS & MINING

3. The proposed perimeter of each of the new quarry areas must be marked on the ground using "tee" posts (fence posts) which will clearly identify each project boundary and will remain in place during the life of the mining operation. We suggest that "flagging" be placed atop each post so they can be easily identified in the field. Please notify this office when the perimeter of each project area has been appropriately marked;
4. Your reclamation estimate of \$54,380 for your expanded operation is inadequate. At the present time, the Utah Division of Oil, Gas and Mining retains a reclamation surety from you in the amount of \$68,700 for your existing 9.5 acre operation. Your proposal to expand the size of your operation by more than 2.5 times, yet reduce the size of your reclamation surety by more than \$14,000 is not feasible. Please provide an accurate estimate of the costs to fully reclaim your operations as required by 43 CFR 3809.552.

Please provide the requested information within 30 days of receipt of this letter or we will consider your Amendment to be withdrawn. If you have any questions, or require additional information, please contact Michael Ford of my staff at (801) 977-4360.

Sincerely,



David H. Murphy
Assistant Field Manager
Nonrenewable Resources

Cc: Ms. Susan M. White
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801



State Online Services

Agency List

Business.utah.gov

Search Ut

Utah Department of
Commerce

Business Entity Search

[? Help](#)

Business Entity Search - Principals:

Name	Type	City	Status
STAR STONE QUARRIES, INC.	Corporation	SALT LAKE CITY	Active
<hr/>			
Position	Name	Address	
Director	LON THOMAS	4040 S 300 W	SALT LAKE CITY
President	LON THOMAS	4040 S 300 W	SALT LAKE CITY
Registered Agent	LON A. THOMAS	4040 S 300 W	SALT LAKE CITY

Additional Principals on file at Division of Corporations: N

[Back to search results](#)[Do Another Search](#)

Your experience is important to us. Please click the link below to provide feedback.

[Feedback Form](#)[Department of Commerce Home](#) | [Division of Corporations Home](#) | [Contact Us](#)[Utah.gov Home](#) | [Utah.gov Terms of Use](#) | [Utah.gov Privacy Policy](#) | [Utah.gov Accessibility Policy](#)

Copyright © 2004 State of Utah - All rights reserved.



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 6, 2011

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Copy of the Modification of Attachment A to the Reclamation Contract, Star Stone Quarries, Inc., Rosebud, M/003/0026, Box Elder County, Utah

Dear Mr. Thomas:

On November 22, 2011 the Division received the signed Modification of Attachment A to the Reclamation Contract (MA-RC) from Star Stone Quarries, Inc. Our Director signed the MA-RC on December 2, 2011. Enclosed is a copy for your records.

If you have any questions please call 801-538-5291 or email bondcoordinator@utah.gov. Thank you.

Sincerely,

Penny Berry
Bond Coordinator

PB



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 28, 2011

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Modification of Attachment A to the Reclamation Contract, Star Stone Quarries, Inc.,
Rosebud, M/003/0026, Box Elder County, Utah

Dear Mr. Thomas:

On July 27, 2011 the Division received your surety bond rider # [REDACTED] increasing the amount of the bond from \$75,100.00 to \$81,900.00. .

Please sign the Modification of Attachment A to the Reclamation Contract.

Please return this document to the Division as soon as possible so that we can proceed with our process in completing this file. If you have any questions please call 801-538-5291 or email bondcoordinator@utah.gov. Thank you for your attention in this matter.

Sincerely,

Penny Berry
Bond Coordinator
Minerals Program

PB

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030026-Rosebud\final\LtrReqMA-RC2.doc



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACTName of Operator: Star Stone Quarries, Inc.Permit Number: M/003/0026Mine Name: RosebudPhone Number: 801-262-4300

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease
☒ Increase
☐ Replacement

Reason: ☐ Amendment to NOI
☐ Cancellation/ Termination of surety
☒ Escalation
☐ Partial Release of surety
☐ Other

Explain: Received surety bond rider. The rider increases the amount from \$75,100 to \$81,900.

Surety Dollar Amount Associated With This Action: \$6,800.00

Surety Aggregate Amount: \$81,900.00

Included in this modification (surety must be attached)

Instrument(s):

<input checked="" type="checkbox"/> Corporate Surety	<input checked="" type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain: Surety bond rider #

**Other surety not affected by this modification will remain part of Attachment A and labeled as such.
This Modification will be effective as of the last date signed below**

Authorized Officer Signature

Printed

Title

Date

Division Director John R. Baza
Utah Division of Oil, Gas and Mining

Date



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 15, 2011

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 1447

Lon Thomas
Star Stone Quarries
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Five-Year Review of Reclamation Surety, Star Stone Quarries, Rosebud Mine, M/003/0026, Box Elder County, Utah

Dear Mr. Thomas:

The reclamation surety for the referenced mine was last evaluated in 2006 and escalated to 2011 dollars. The Division has used actual cost changes to bring the reclamation cost estimate to 2011 dollars, then a five-year average was used to escalate the surety amount to 2016 dollars.

The amount now required is \$81,900.00, an increase of \$6800.00 over the current amount of \$75,100.00. The increase may be submitted by providing a rider to the current surety bond, or by providing cash, a certificate of deposit, or a letter of credit either for the increased amount or the total.

Please provide the new surety amount no later than May 23, 2011.

Thank you for your cooperation. Please call me at 801-538-5261 if you have questions about the attached spreadsheet showing the escalation rates, or contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov for information about submitting the surety.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:pb

Enclosure: Escalation Spreadsheet

cc: lgarahana@blm.gov, oabeyta@blm.gov

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030026-Rosebud\final\escalate-02012011.doc



Rosebud Mine
Surety Escalation

M/003/0026

February 8, 2011

Percentage increase/year

Surety amount in <year> dollars

2003	1.71%	1.0171	
2004	0.84%	1.0084	\$0.00
2005	3.99%	1.0399	\$0.00
2006	5.44%	1.0544	\$69,060.00
2007	2.12%	1.0212	\$72,816.86
2008	-3.40%	0.966	\$74,360.58
2009	2.90%	1.029	\$71,832.32
2010	1.80%	1.018	\$73,915.46
2011			\$75,245.94
2016		1.017	\$81,863.03
			\$81,900.00

Rounded to nearest \$100

Note: The surety amount is listed in the row of the year in which it was calculated.
The escalation factor for a year is applied to the surety amount to take it to the next year.

From: <lgarahan@blm.gov>
To: "Paul Baker" <paulbaker@utah.gov>
CC: <oabeyta@blm.gov>, <rstelmac@blm.gov>, <sallen@blm.gov>
Date: 2/9/2011 1:04 PM
Subject: Re: Rosebud Escalation
Attachments: escalate-02082011.XLS

Paul,

Thanks for the email. I concur with the increase in the bond for Star Stones Rosebud Quarry, UTU-77761 (M/003/026), from \$75,100, to \$81,900.

Would you please coordinate any of the bond paperwork with Rita and/or Opie of our Mining Law Adjudication Team and keep me cc'd in loop? Thanks Paul, and if there is anything I can do to help, let me know.

Larry Garahana
Geologist
BLM, Salt Lake Field Office
801-977-4371 w
801-824-1519 c
Larry_Garahana@blm.gov

"Paul Baker"
<paulbaker@utah.gov>
ov>
To
<Larry_Garahana@blm.gov>
02/08/2011 04:36 PM cc
Subject
Rosebud Escalation

Larry--

A while ago Lynn sent you a spreadsheet with an escalation for Rosebud. We now have the new numbers for 2010, and I have revised the spreadsheet accordingly. The new amount is \$81,900, an increase of \$6800 from the \$75,100 we currently hold. I assume this isn't a problem for you, but let me know if you have concerns about it.

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 16, 2009

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Copy of the Modification of Attachment A to the Reclamation Contract and Copy of the Surety Rider, Star Stone Quarries, Inc., Heber Quarry, M/051/0001, Rosebud, M/003/0026, Cotton Thomas, M/003/0024 Wasatch and Box Elder County, Utah

Dear Mr. Thomas:

Enclosed for your record are copies of the Modification of Attachment A to the Reclamation Contract and a copy of the Surety Riders increasing the surety, for the Heber Quarry, Rosebud and the Cotton Thomas Mines.

If you have any questions please call 801-538-5291 or email bondcoordinator@utah.gov.

Sincerely,

Penny Berry
Bond Coordinator

PB

Enclosure: Copy of the MA-RC and Surety Rider

P:\GROUPS\MINERALS\WP\M051-Wasatch\M0510001-HeberQuarry\final\Ltr-09162009.doc





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 29, 2009

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Modification of Attachment A to the Reclamation Contract, Star Stone Quarries, Inc.,
Rosebud, M/003/0026, Box Elder County, Utah

Dear Mr. Thomas:

On April 27, 2009 the Division received your surety bond rider # 886968C increasing the amount of the bond from \$68,700.00 to \$75,100.00. This surety bond rider replaces the letter of credit # S311479 in the amount of \$6,400.00. A copy of the surety bond rider has been enclosed for your records.

Please sign the Modification of Attachment A to the Reclamation Contract.

Please return this document to the Division as soon as possible so that we can proceed with our process in completing this file. If you have any questions please call 801-538-5291 or email bondcoordinator@utah.gov. Thank you for your attention in this matter.

Sincerely,

Penny Berry
Bond Coordinator
Minerals Program

PB

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030026-Rosebud\final\LtrReqMA-RC.doc



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACTName of Operator: Star Stone Quarries, Inc.Permit Number: M/003/0026Mine Name: RosebudPhone Number: 801-262-4300

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease
☐ Increase
☒ Replacement

Reason: ☐ Amendment to NOI
☐ Cancellation/ Termination of surety
☐ Escalation
☐ Partial Release of surety
☒ Other

Explain: Operator is replacing LOC# _____ in the amount of \$6,400.00 with a surety ride _____ ncreasing bond from \$68,700.00 to \$75,100.00 (\$6,400.00).

Surety Dollar Amount Associated With This Action: \$6,400.00Surety Aggregate Amount: \$75,100.00**Included in this modification (surety must be attached)**

Instrument(s):

<input checked="" type="checkbox"/> Corporate Surety	<input checked="" type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain: Surety bond ride: _____

**Other surety not affected by this modification will remain part of Attachment A and labeled as such.
This Modification will be effective as of the last date signed below**

Authorized Officer Signature_____
Printed_____
Title_____
Date_____
Division Director John R. Baza
Utah Division of Oil, Gas and Mining_____
Date



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 29, 2009

Brenda King-Weeks
KeyBank National Association
Standby Letter of Credit Services
Mail Code: OH-01-51-0435
4910 Tiedeman Road
Cleveland, OH 44144-2338

Subject: Return of Letter of Credit _____ - Star Stone Quarries, Inc., Rosebud Mine,
M/003/0026, Box Elder County, Utah

Dear Ms. Weeks:

Enclosed please find original Letter of Credit # _____ issued by KeyBank in the amount of \$6,400.00. A bond rider for the full reclamation surety in the amount of \$75,100.00 is currently being held with Developers Surety and Indemnity Company; therefore the Division is releasing Letter of Credit _____.

If you have any questions, please feel free to call me at (801) 538-5291.

Sincerely,

Penny Berry
Bond Coordinator

pb

Enclosure

cc: Lon Thomas, Star Stone Quarries, Inc.

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030026-Rosebud\final\LtrReplacingSurety.doc





**KEYBANK NATIONAL ASSOCIATION
STANDBY LETTER OF CREDIT SERVICES**

**MAIL CODE: OH-01-51-0435
4910 TIEDEMAN ROAD
CLEVELAND, OHIO 44144-2338
TEL NO: 216-813-3698, -3701, -3713
FAX NO: 216-813-3719**

Irrevocable Standby Letter of Credit No _____

DATE: June 22, 2006

Beneficiary:

**Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801**

Applicant:

**Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, UT 84107**

AMOUNT: USD6,400.00

EXPIRY: June 30, 2007

Gentlemen;

1. KeyBank National Association, ("Bank"), of Cleveland, Ohio, hereby establishes this Irrevocable Standby Letter of Credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for itself and as agent for the Bureau of Land Management for an aggregate amount not to exceed USD6,400.00 (Six Thousand Four Hundred and 00/100 United States Dollars) ("Face Amount") effective immediately; on behalf of Star Stone Quarries, Inc. ("Operator") for Rosebud Quarry mining operation under Mine Permit No. M/003/026.
2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 P.M. (Cleveland Ohio time) on the expiry date or (b) the date upon which sufficient documents are executed by the Division to release Operator from further liability for reclamation of the Cotter Thomas Quarry, M/003/026 with notice to the Bank by the Division accompanied by the Letter of Credit and any amendments, with directions for cancellation.
3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless at least ninety (90) days prior to the expiration date the Bank gives notice to the Division by any courier service or by Registered United States Mail "return receipt requested" that the Bank elects not to renew the Letter of Credit.
4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying the Letter of Credit No _____ delivered to the office of the Bank, KeyBank National Association, Standby Letter of Credit Services, Mail Code: OH-01-51-0435, 4910 Tiedeman Rd., Cleveland, Ohio 44144-2338. At the Divisions sole election, the Division may present sight drafts for less than the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

*****Continued on next page*****

*Superseded
4/29/09*



Our Reference No. S311479

Page 2

5. If the Bank receives the Division's sight draft(s) and Certificate(s) as provided in Paragraph 4 above on or before the expiration or termination of this Letter of Credit, the Bank will make such amount as the division may specify, within the limits of the second sentence of Paragraph 4 of this Letter of Credit, available to the Division no later than the close of business, (Cleveland, Ohio time) on the second business day following the Bank's receipt of the sight draft and certificate in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday or Sunday or other day on which commercial banks in the State of Ohio are authorized or required by law to close.
6. The Bank will give prompt notice to the Operator and the Division of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violation or regulatory requirements, which could result in suspension or revocation of the Bank's Charter or license to do business.
7. This Letter of Credit will be governed by the Uniform Custom and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No.500 and the Laws of the State of Utah. In the event of a conflict of laws then the Laws of the State of Utah shall govern.
8. Proceeds of this drawing will be held by the Division, subject to the Board of Oil, Gas, and Mining, after Notice and Hearing, ordering forfeiture of the Bank in accordance with applicable law utilized in full to pay the expenses relating to the reclamation liability, together with the costs of collection, including attorney's fees for the Rosebud QuarryM/003/026.
9. All communications regarding this Letter of Credit will be addressed to the Bank, KeyBank National Association, Standby Letter of Credit Services, Mail Code: OH-01-51-0435, 4910 Tiedeman Rd., Cleveland, Ohio 44144-2338 referencing Letter of Credit No. _____.
10. In the event that the Bank gives notice to the Division that the expiration date of the Letter of Credit will not be extended, the Division may, until the current expiration date of the Letter of Credit, draw under the Letter of Credit against it sight draft(s) in accordance with the provisions of Paragraph 4 to assure or complete reclamation if the Operator does not replace the Letter of Credit within 90 days of the date of the Bank's notice that it elects not to renew the Letter of Credit.


Authorized Signature



Authorized Signature



EXHIBIT B
CERTIFICATE

I, _____ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of USD _____, by sight draft(s) accompanying this certificate, under Letter of Credit No. _____ dated June 22, 2006 issued by KeyBank National Association Cleveland Ohio is permitted under the provisions of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated per its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the Rosebud Quarry Mine number M/003/026 in accordance with applicable law.

The Utah Division of Oil, gas and Mining

By: _____

Date: _____

KeyBank National Association
Standby Letter of Credit Services
Mail Code: OH-01-51-0435
4910 Tiedeman Road
Cleveland, Ohio 44144-2338



March 18, 2009

UTAH DIVISION OF OIL, GAS AND
MINING
1594 WEST NORTH TEMPLE, SUITE 1210
BOX 145801
SALT LAKE CITY, UT 84114-5801

***** NOTICE OF NON-RENEWAL *****

RE: Standby Letter of Credit Number.

Origination Date: 6/30/2006

Applicant: STAR STONE QUARRIES, INC.

The above referenced letter of credit was issued with the condition that it be automatically extended without amendment from the present or any future expiration date unless we notify you in accordance with the letter of credit terms.

We hereby notify you that we elect not to extend this credit for any additional period and therefore, this credit will expire in full with our close of business on 6/30/2009.

Authorized Signature

CC: STAR STONE QUARRIES, INC.
4040 SOUTH 300 WEST
SALT LAKE CITY, UT 84107

RECEIVED

MAR 19 2009

DIV. OF OIL, GAS & MINING

m0030026 Rosebud



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 13, 2009

Certified Return Receipt
7003 2260 0002 0247 7952

Key Bank National Association
Standby Letter of Credit Services
Mail Code: OH-01-51-0435
4910 Tiedeman Road
Cleveland, Ohio 44144-2338

Subject: Non-Renewal of Letter of Credit # Star Stone Quarries, Rosebud Quarry, M0030026,
Box Elder County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated March 18, 2009, regarding non-renewal of Letter of Credit #S311481 in the amount of \$6400.00. The mine operator, Star Stone Quarries, has been advised that a replacement surety must be provided by May 21, 2009. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$6400.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for the BLM and itself to be used for reclamation of the Rosebud quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

We are anticipating that the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable. Thank you. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Letter dated 3/24/2009 and Sight Draft

Cc: opie_abeyta@blm.gov, stephen_allen@blm.gov, larry_garahana@blm.gov

P:\GROUPS\MINERALS\WP\M003-Box Elder\M0030026-Rosebud\final\cancel-04092009.doc





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 23, 2009

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 9504

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Notice of Cancellation/Termination of Reclamation LOC Number [redacted] and
Star Stone Quarries, Inc., Rosebud and Peoa Blonde, M0030026 and
M0430012, Box Elder County, Utah

Dear Mr. Thomas:

Please review the enclosed Key Bank's Notice of Non-Renewal notification indicating the Letter of Credit (LOC) in the amount of \$6,400.00 for the Rosebud Mine and LOC in the amount of \$54,900.00 for the Peoa Blonde Mine. According to the terms of the LOC's, the Bank may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective June 30, 2009, the LOC's will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before May 21, 2009 or the Division will be forced to do any/some of the following:

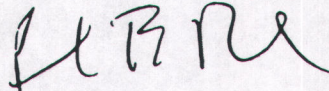
- Carry out the terms of the LOC numbers [redacted]
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected



Page 2
Lon Thomas
M0030026 & M0430012
March 23, 2009

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov . Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'PB R', is written above the printed name.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Notice of Non-Renewal

P:\GROUPS\MINERALS\WP\M043-Summit\M0430012-PeoaQuarry\Final\bond-cancel-ltr03112009.doc



EXHIBIT A
SIGHT DRAFT

Date: _____

USD\$ _____

At sight, pay to the order of:

Utah Division of Oil, Gas and Mining

the sum of: _____ United States Dollars

Drawn under the KeyBank National Association, Cleveland, Ohio Irrevocable Standby Letter of Credit no. _____, dated June 22, 2006

To: KeyBank National Association
4910 Tiedeman Road
Cleveland, Ohio, 44144 USA

Utah Division of Oil, Gas, and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

(Authorized signature)

(Name)

Please wire draw proceeds per the following instructions:

TO:

ABA or ROUTING #:

ATTN:

REFERENCE:

CREDIT ACCOUNT:



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 23, 2009

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 9504

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Notice of Cancellation/Termination of Reclamation LOC Number [redacted] and
Star Stone Quarries, Inc., Rosebud and Peoa Blonde, M0030026 and
M0430012, Box Elder County, Utah

Dear Mr. Thomas:

Please review the enclosed Key Bank's Notice of Non-Renewal notification indicating the Letter of Credit (LOC) in the amount of \$6,400.00 for the Rosebud Mine and LOC in the amount of \$54,900.00 for the Peoa Blonde Mine. According to the terms of the LOC's, the Bank may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective June 30, 2009, the LOC's will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before May 21, 2009 or the Division will be forced to do any/some of the following:

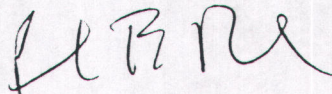
- Carry out the terms of the LOC numbers [redacted]
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected



Page 2
Lon Thomas
M0030026 & M0430012
March 23, 2009

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov . Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

PBB:pb
Enclosure: Notice of Non-Renewal
P:\GROUPS\MINERALS\WP\M043-Summit\M0430012-PeoaQuarry\Final\bond-cancel-ltr03112009.doc

From: Lynn Kunzler
To: Baker, Paul; Berry, Penny
Date: 3/23/2009 9:47 PM
Subject: Re: Cancellation Of LOC's

Lets chalk this one up to the Beth Black Hole - The Bond calculation sheet indicates that in 2006, the surety was escalated to 2011 dollars (at \$69,900). The amount we hold in Surety (\$68,700) would be mid 2009 dollar escalation. In January 2006, Beth sent a letter (Susan's Signature) requesting an additional \$6,400, for a total surety of \$75,100. I cannot find any documentation as to why the increase of \$6,400.

Now, considering that the surety amount held (not including the expiring LOC) is for current dollars. I suggest we have Lon replace the LOC, and then recalculate the surety as soon as practical, using Wayne's new spreadsheet, and escalate for the next five years. Chances are, LOC amount will cover any escalation increase.

>>> Penny Berry 3/23/2009 2:08 PM >>>
Hi Lynn,

Here's the info.

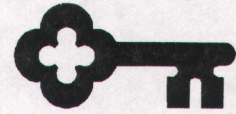
M0510001 Heber Quarry LOC is expiring 6/30/09. Amount is \$4,900 and was due for escalation on 3/8/2005. We are currently holding a surety bond in the amount of \$102,500.

M0430012 Peoa Blonde LOC is expiring 6/30/09. Amount is \$54,900 and no other surety is being held. Escalation is not due until 10/16/2011.

M0030024 Cotton Thomas LOC is expiring 6/30/09. Amount is \$27,030 and is not due for escalation until 4/5/2011. We are currently holding a surety bond in the amount of \$105,200

M0030026 Rosebud LOC is expiring 6/30/09. Amount is \$6,400 and is not due for escalation until 1/8/2011. We are currently holding a surety bond in the amount of \$68,700

Please let me know on Heber Quarry and Cotton Thomas. Thanks.



Scott G. Thompson
Vice President
Relationship Manager

KeyBank

Corporate Banking
Mailcode: UT-51-TW-2007
50 South Main, Suite 2007
Post Office Box 30815
Salt Lake City, Utah 84130

Utah Division of Oil, Gas and Mining
1594 West North Temple
SLC UT, 84114

Tel: 801-535-1212
Fax: 801-535-1120

Attn: Beth Erickson,

Key has approved four Letters of Credit for Star Stone Quarries, Inc. See the attached schedule on the four Quarries. The total of the four Letters of Credit is \$75,900.00. The Letters of Credit will be sent to you for review prior to 6/30/06. If you have any questions please call me at 801-535-1212.

Sincerely,

Scott G. Thompson
Vice President

RECEIVED
JUN 12 2006
Div. of Oil, Gas & Mining

RECEIVED
JUN 07 2006

DIV. OF OIL, GAS & MINING

M1003 1026 Ross Bud
M1003 1024 Cotton Thomas
M1051 1001 Heber Quarry
M1043 1012 Proa Blonde

Operator	Mining Operation	Amt of Bond	Permit No	Beneficiary
Star Stone Quarries, Inc.	Cotton Thomas Quarry	9,700.00	M/003/024	BLM/State of Utah
Star Stone Quarries, Inc.	Peoa Quarry	54,900.00	M/043/012	BLM/State of Utah
Star Stone Quarries, Inc.	Rosebud Quarry	6,400.00	M/003/026	BLM/State of Utah
Star Stone Quarries, Inc.	Heber Quarry	4,900.00	M/051/001	State of Utah
		75,900.00		

RECEIVED

JUN 07 2006

DIV. OF OIL, GAS

APR-27-2006 THU 01:23 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
APR-27	01:21 PM	9434411	2' 15"	6	SEND	OK	825	

TOTAL : 2M 15S PAGES: 6

Hi Scott-

Please find attached to this fax, four reclamation contracts for Lon Thomas's quarries. Specifically they are:

- Cotton Thomas (\$114,900)
- Rosebud (\$75,100)
- Heber Quarry (\$107,400)
- Peoa Blonde (\$54,900)

I am still trying to locate the NOI for DC Transport. I inquired with the permit lead and he indicated he passed it on for further review, and it has not been returned. I will inquire further and fax it to you as soon as I locate it.

If you have any questions, please email me or phone.

Beth Ericksen

State of Utah
Department of Natural Resources



Hi Scott-

Please find attached to this fax, four reclamation contracts for Lon Thomas's quarries. Specifically they are:

- Cotton Thomas (\$114,900)
- Rosebud (\$75,100)
- Heber Quarry (\$107,400)
- Peoa Blonde (\$54,900)

I am still trying to locate the NOI for DC Transport. I inquired with the permit lead and he indicated he passed it on for further review, and it has not been returned. I will inquire further and fax it to you as soon as I locate it.

If you have any questions, please email me or phone.

Beth Ericksen

State of Utah
Department of Natural Resources



Beth Ericksen
Minerals Surety Coordinator

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

telephone (801) 538-5318
facsimile (801) 359-3940
bethericksen@utah.gov
www.ogm.utah.gov



April 11, 2006

Doug Jensen
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

Re: Star Stone Quarries, Inc. -- Escalation Reclamation Surety
Cotton Thomas Operations M/003/024
Rosebud Mine M/003/026
Peoa Blonde Quarry M/043/012
Heber Quarry M/051/001

Dear Mr. Jensen,

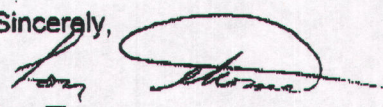
We received a letter regarding the Divisions' denial of the request for time extension and would like to inform you of our efforts to provide the escalated sureties for the referenced operations.

Since that letter we have been working diligently with the Division Minerals Surety Coordinator, Beth Ericksen, to ensure that the proper documentation is completed. This has included multiple phone discussions with Ms. Ericksen regarding the confusion generated by your letters as to the escalated surety amounts and the changes necessary for each quarry. Through this effort we have determined that there are issues relating to the Certificates of Deposit because of age and institution changes. These changes will be remedied as quickly as possible, however there may be a delay that is not within Star Stone's control because we are working with a 3rd party. On Wednesday we will be discussing with Ms. Ericksen, in more detail and by quarry, the necessary requirements for updating the insurance bonds and making sure that the proper riders are produced.

As part of those discussions with the Division we had requested clarification on the surety estimates verses the information listed in the letters sent, to date we have not received clarification and will use the surety estimate that was attached to the letters in obtaining the surety.

We will continue to work diligently and rapidly with the Division to obtain the proper documentation of the escalated surety for the referenced quarries but do request some leniency with the imposed April 14th deadline.

Sincerely,



Lon Thomas
President

Cc: Beth Ericksen, DOGM
Daron Haddock, DOGM
Susan White, DOGM
Lynn Kunzler, DOGM
Mike Ford, BLM

Star Stone Quarries, Inc.
4040 South 300 West, Salt Lake City, UT 84107
801-747-7107 Fax 801-262-5069

RECEIVED
APR 12 2006
DIV. OF OIL, GAS & MINING



March 29, 2006

Doug Jensen
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114

Re: Five-Year Review of Reclamation Surety Estimate
Star Stone Quarries, Inc., Rosebud Mine, M/003/026

Dear Mr. Jensen:

We would like to request an extension to obtain the new surety bond. We respectfully request an additional 60-days due to the additional time needed to amend the plan for this site in order to re-request additional acreage. The site plan amendment is taking more time than anticipated due to the number of items that require modification and as such need additional time which we are hoping will include the review process for those plans.

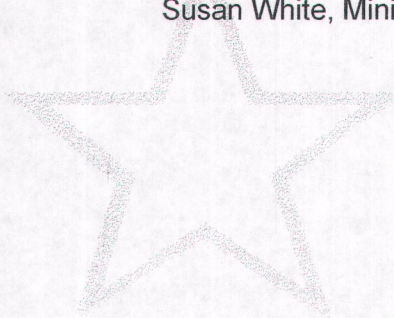
If the new plan is approved we would like to obtain the surety bond for all of the acreage including the escalated amount.

If you have any questions or concerns, please contact me at (801) 262-4300 ext. 109 or via email at nwobbe@american-stone.com.

Thank you,

Nicole Wobbe-Espinoza
Executive Secretary

cc: Beth Erickson, Division Minerals Surety Coordinator
Susan White, Mining Program Coordinator



Star Stone Quarries, Inc.
4040 South 300 West, Salt Lake City, UT 84107
801-747-7107 Fax 801-262-5069

RECEIVED

MAR 30 2006

DIV. OF OIL, GAS & MINING



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 31, 2006

CERTIFIED RETURN RECEIPT 7002 0510 0003 8603 2427

Star Stone Quarries, Inc.
Lon Thomas
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Five-Year Review of Reclamation Surety Estimate, Star Stone Quarries, Inc., Rosebud Mine, M/003/026, Box Elder County, Utah

Dear Mr. Thomas:

Thank you for providing the information requested for the five-year review of the Cotton Thomas Operations. The Division finds based on the information reviewed along with a site visit, that the only changes required for the reclamation cost estimate is a five-year escalation. The surety escalated to the year 2011 is \$75,100. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than March 31, 2006.

The request to add additional acreage to the permit area was received with the maps for this review, received January 30, 2005. The request is denied because it is a separate permitting action and should be requested as an application to amend the plan. A copy of the form MR-REV is available on the Division's website. *60 days process*

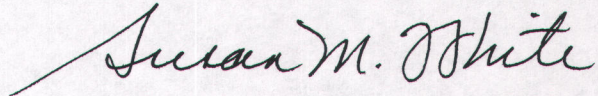
The current surety is in the form of surety bond. Please contact your agent to discuss what action must be taken to increase the dollar amount of the existing bond. You may also contact the Division Minerals Surety Coordinator, Beth Ericksen at (801) 538-5318 to answer questions and discuss bonding details and requirements for Division approval. To further assist you, please visit our website at www.nr.utah.gov to view bonding forms and obtain additional information about process, terms, conditions, and bond requirements.

*extension
addn'l.*

Page 2
Lon Thomas
M/003/026
January 31, 2006

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:jb

Attachment: Surety estimate update

cc: Mike Ford, BLM, State Office (UTU-77761)
Doug Jensen, DOGM
Beth Ericksen, DOGM

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030026-Rosebud\final\01132006bond-escal.doc

SURETY ESTIMATE UPDATE

12-Jan-06

Star Stone Quarries, Inc.

Rosebud Mine

FILE # M/003/026

Box Elder County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

7-Jun-00

DESCRIPTION:

-Previous reclamation surety estimate was \$58928 in year 2000 dollars

-Reclamation Estimate base amount calculated in 2000-\$

-This update adjusts the surety amount for escalation only.

An allowance has been made for 0.2 acres for an existing road that will not be reclaimed. (12' width)

On-site dump material used to re-slope pit face in calculations. Distance of material movement requires the use of both a dozer and a front end loader or a loader/truck combination. Dozer/loader combination is used for the purpose of this calculation.

-Escalation factors through 2004 are actual Means Historical Cost Indices

-Total disturbed area =

9.5 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
F = Future Sum	1996	0.0242	\$0.00
P = Present Sum	1997	0.0236	\$0.00
i = Escalation Factor	1998	0.0502	\$0.00
n = number of periods	1999	0.0191	\$0.00
	2000	0.0244	\$58,928
Three Yr Average =1.20%	2001	0.0421	\$61,409
Used to Project 5 Yrs	2002	0.0171	\$62,459
From the Year 2005	2003	0.0840	\$67,706
	2004	0.0200	\$69,060
	2005	0.0120	\$69,888
	2006	0.0120	\$70,727
	2007	0.0120	\$71,576
	2008	0.0120	\$72,435
	2009	0.0120	\$73,304
	2010	0.0120	\$74,183
	2011	0.0120	\$75,074
Updated Surety Amount Rounded (2011-\$)			\$75,100

** Average cost per acre =

7902 (\$/ACRE)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

July 19, 2002

m/003/026

TO: Lowell P. Braxton, Director *mbw for LPB*
THRU: Mary Ann Wright, Associate Director *mbw*
THRU: Wayne Hedberg, Permit Supervisor *WH*
FROM: Lynn Kunzler, Senior Reclamation Specialist *LK*
RE: Request for Approval of Form and Amount of Replacement Reclamation Sureties, Star Stone Quarries, Inc., Cotton Thomas Mine (M/003/024) and Rosebud Quarry (M/003/026), Box Elder County, Utah

In December, 2001, the Division received notification from American Motorists Insurance Company that the surety bond _____ in the amount of \$68,700 would be canceled, effective March 18, 2002. This surety was posted for Star Stone Quarries, Inc. Rosebud Quarry. The operator was notified of this cancellation notification and was advised that a replacement surety needed to be posted prior to the cancellation date.

Star Stone Quarries also had a surety bond # _____ in the amount of \$105,200 issued by Redland Insurance Company. Although Redland had an A- rating on the A.M. Best Rating Guide, it was not listed on the U.S. Treasurers Federal Register as an acceptable bonding company. We notified the operator and informed them that they needed to replace this surety as soon as possible. We mutually agreed that when Redland's premiums became due, the surety would be replaced at that time.

On March 18, 2002, we received two replacement surety bonds from Developers Surety and Indemnity Company: Surety bond # _____ replaces the Redland Insurance Company surety bond in the amount of \$105,200 for the Cotton Thomas Quarry and surety bond # _____ replaces the American Motorists surety bond in the amount of \$68,700 for the Rosebud Quarry.

The operator needed to also provide replacement Reclamation Contracts to accompany the new surety bonds. The replacement Reclamation Contracts were received July 10, 2002. Developers Surety and Indemnity Company meets the Board's requirements of being listed on the federal register of acceptable bonding companies, and they have an A rating on the A.M. Best Rating Guide.

We request that you accept the replacement reclamation surety bonds and reclamation contracts. If you are in agreement, please sign and date the documents as indicated. We will then forward copies of the signed and executed documents to Star Stone Quarries for their records. Thank you for your consideration of this request.

jb

Enclosure: 2 MR-RC's & 2 sureties

O:\M003-Box Elder\m0030024-cotton thomas\final\Dir-sign-mem.doc